

April 16, 2002

The Honorable Larry D. Thompson
Deputy Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Mr. Thompson:

I write to renew my request for the appointment of a special counsel concerning the Department of Justice's Enron investigation. I initially called for such an appointment on January 24, but am compelled to write you again because of the growing evidence of conflicts of interest between the Department and the Bush Administration, particularly your investigation of the Secretary of the Army, Thomas White.

According to DOJ regulations the appointment of a special counsel is appropriate whenever (1) a criminal investigation "would present a conflict of interest for the Department or other extraordinary circumstances" and (2) "it would be in the public interest to appoint an outside special counsel to assume responsibility for the matter." *See* 28 C.F.R. 600. In the present instance there can be little question that both of these criteria have been satisfied.

First, there can be little question that the criminal investigation presents a conflict of interest for the Bush Administration. Just this week, *The Wall Street Journal* reported that Secretary of the Army Thomas White, a former high ranking Enron executive, was under federal investigation for insider trading involving the sale of more than \$12 million in Enron stock. *See* John R. Wilke, "FBI Probes Army Secretary on Enron," *The Wall Street Journal*, April 15, 2002, at A3. According to the article:

Federal Bureau of Investigation agents are interviewing Mr. White's friends and former colleagues regarding whether he sought or acted on inside information from them on the company's precarious financial condition in scores of calls [to Enron employees] he placed last fall, as he sold off his stock. Investigators appear to be focused most closely on calls and contacts Mr. White had in October, when he sold off stock – of half of his holdings – as the company's condition worsened.

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It goes without saying that there can be no more direct or obvious legal conflict for your Department than an investigation of a high level political appointee of President Bush, such as Secretary White.

Second, I strongly believe that it would be in the public interest to appoint an outside special counsel to supervise the Enron case. In addition to the glaring conflict involving Secretary White, as I have previously written to you, the links between the Bush Administration and the principal subjects of the Enron investigation are widespread and deep. Among other things:

1. President Bush has received nearly \$2 million from Enron and its employees, making them the single largest contributor to Mr. Bush's political career. *See* "The Enron Story that Waited to be Told," *Washington Post*, January 18, 2002, at C1. The fact that President Bush was so closely tied to former CEO Kenneth Lay as to refer to him as "Kenny Boy" only supports the contention that it will be difficult for a political appointee such as yourself to objectively pursue a case involving the President's closest friends and supporters. *See* "Bush Assails Enron Over Handling of Collapse," *New York Times*, January 23, 2002, at A1.
2. President Bush received \$145,650 from Arthur Andersen, making them the fifth largest contributor to the Bush/Cheney campaign. *See* "Houston Law Firm Helped Craft Enron Deals," *Washington Post*, January 27, 2002, at A6.
3. President Bush's White House Counsel, Alberto Gonzalez, served as a former partner of one of Enron's principal outside legal counsel, Vinson & Elkins, which has also been tied to the Enron scandal. *See* "House Panel to Question Enron's Attorneys," *Washington Post*, March 14, 2002, at E1.

I believe the far-reaching connections among the various entities has left an indelible stain on the Administration that can only be removed by the appointment of a special counsel. Bringing an individual into the matter from outside the government, having no allegiance to the Bush Administration, and who has, in the words of your own regulations, "a reputation for integrity and impartial decision-making, and with appropriate experience to ensure that the investigation will be conducted ably, expeditiously, and thoroughly" would instill greater public confidence in the overall integrity of the investigation. *See* 28 C.F.R. 600.3.

I would be remiss, if I did not also add, Mr. Thompson, that I am disappointed by your own failure to respond to my earlier letters to you on these matters. As you are no doubt aware, on January 16, 2002, I wrote to you regarding a possible conflict of interest due to your past status as a partner of King & Spaulding, a law firm with extensive business ties to Enron; and on

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January 24, 2002, I wrote to you requesting that the Department appoint an outside special counsel to investigate Enron. I have also never received a response from my February 5, 2002 letter to Senior White House Advisor Karl Rove and White House Counsel Alberto Gonzales concerning allegations that Mr. Rove improperly arranged for Ralph Reed to receive a consulting contract from Enron in order to mitigate the need to bring Mr. Reed on the Bush campaign payroll more directly. Needless to say, the Administration's failure to even respond to the queries of the Ranking Member on the House Judiciary Committee does not inspire confidence in their ability to manage this critical criminal investigation in a full and forthright manner.

I await your response to this letter at your earliest possible convenience, and look forward to hearing whether you will appoint a special counsel, and, if not, the reason for your decision.

Sincerely,

John Conyers, Jr.
Ranking Member

cc: The Honorable F. James Sensenbrenner, Jr.
Chairman, Committee on the Judiciary